

## SEMESTER EXAMINATION 2022-2023

(2<sup>nd</sup> year IIIrd Sem LLB)

## TAXATION LAWS

Duration: 3:00 hrs.

Max Marks: 70

**Note: Attempt all questions. All questions carry equal marks. In case of any ambiguity or missing data, the same may be assumed and state the assumption made in the answer.**

Q 1.	<p><b>Answer any four parts of the following within 100 to 125 words.</b></p> <p>a) Distinguish between Tax and Fees and explain principles laid down by the Judiciary for the same.</p> <p>b) Discuss the residential status of Hindu Undivided Families under Income Tax Act, 1961.</p> <p>c) John is a foreign citizen (not being a person of Indian origin). Since 1990, he visits India every year in the month of May for 99 days. Find out the residential status of John for the assessment year 2014-15 under Income Tax Act, 1961.</p> <p>d) Explain the nature and scope of salary as per the Income tax act 1961.</p> <p>e) What are the conditions as to registration of trust?</p> <p>f) What are the incomes which are not included in Total income?</p>	4x3.5=14
Q 2.	<p><b>Answer any four parts of the following within 100 to 125 words.</b></p> <p>a) Discuss the law laid down in N. Bagavathy Ammal Vs CIT Madurai, JT 2003 (I) S.C. 363.</p> <p>b) Explain the powers and functions of the Director of Income Tax under Income Tax Act.</p> <p>c) Explain in brief the basic features and concepts relating to the tax system in India.</p> <p>d) What are the Special provisions relating to the income of political parties?</p> <p>e) What are the procedures for Adjudication and Settlement under Income Tax Act?</p> <p>f) Describe the term 'Treaty shopping' with help of suitable examples.</p>	4x3.5=14
Q 3.	<p><b>Answer any two parts of the following within 200 to 250 words</b></p> <p>a) What is an agricultural income under Income Tax Act, 1961? Discuss briefly with the help of case law.</p> <p>b) Distinguish between the Application of Income and Diversion of Income with the help of case Law.</p>	2x7=14

	c) Expenditure even if incurred for Obtaining advantage of enduring benefit may nonetheless be on revenue account and the test of enduring benefit may break down. Discuss with the help of relevant cases.	
Q 4.	<p><b>Answer any two parts of the following within 200 to 250 words</b></p> <p>a) Whether the expression “winnings” occurs at the inception of Sub clause (ix) of Section 2(24) of Income Tax Act. 1961 has acquired a particular meaning viz. receipt from activities of a gambling or betting nature alone? Discuss in light of case law.</p> <p>b) Whether the expenditure would disqualify for deduction under Section 57 (iii) of the Income Tax Act, 1961 if no income results from such expenditure in a particular assessment year? Discuss with the help of case law.</p> <p>c) When is bad debt deductible under Section 36(I) (vii) of the Income Tax Act, 1961? Discuss with help of relevant case law.</p>	2x7=14
Q 5.	<p><b>Answer any two parts of the following within 200 to 250 words.</b></p> <p>a) Discuss whether the following incomes constitute agricultural income :</p> <p>(i) Interest received by a money lender in the form of agricultural produce</p> <p>(ii) Income from growing flowers and creepers</p> <p>(iii) Hire charges received for the used of the garden for shooting films.</p> <p>b) Suraj, a businessman owns a vacant plot of land in Premnagar, Dehradun. He also owns a house in Dalanwala, Dehradun where he lives with his wife and a children-Another house owned by him in Racecourse, Dehradun is lying vacant throughout the previous year as he could not find a tenant willing to pay the rent he has been demanding. Another house in Pacific hills, Dehradun has been bequeathed to suraj by his father and under terms of will deity of Lord Krishna is to be installed in that property and the same cannot be let out to anybody. Discuss his tax liability under the head ‘Income from House Property’ under Income Tax Act, 1961.</p> <p>c) Ram is a practising physician and cardiologist having his a clinic in Dehradun. His wife Sonia had passed first year Arts from Doon University and was employed by him as a Receptionist-cum-Accountant on a salary of Rs. 20.000 per month. Their minor son Sanjay is acting in the film. The assessing officer clubbed the income earned by Sanjay for acting in film and also the salary received by Sonia from her husband Ram in the previous year 2013-14 in the total income of Ram. Discuss the justifiability or otherwise of computation done by the revenue department.</p>	2x7=14

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